

Notice: This is a translation of the Japanese original. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.



May 14, 2025

To Shareholders

Company name: TOEI COMPANY, LTD.
Representative: Fumio Yoshimura, President &
Chief Executive Officer
(Stock code: 9605 TSE Prime
Market)
Contact: Koichi Wada, Executive Vice
President, Group Strategy
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(Representative)

Notice Concerning Continuation of Performance-based Stock Compensation Plan and Additional Funding

TOEI COMPANY, LTD. (the “Company”) hereby announces that it resolved at a meeting of the Board of Directors held on May 14, 2025 on the continuation of the performance-based stock compensation plan (the “Plan”) introduced in fiscal 2022 and matters regarding additional funding. Details are as follows.

For an overview of the Plan, please refer to the “Notice of Abolition of Retirement Benefits System for Officers and Introduction of Performance-based Stock Compensation Plan” dated May 24, 2022.

Details are as follows.

1. Continuation of the Plan

(1) During and after fiscal 2025, the Company will continue to maintain the Plan introduced for the purpose of making the link between the Company's business performance and shareholder value clearer, enhancing motivation and morale of the Directors (excluding Directors who are Audit and Supervisory Committee members, Non-executive, Independent, and residents outside Japan. The same shall apply hereunder.) and Senior Executive Officer (excluding residents outside Japan. Hereinafter collectively referred to as the “Directors, etc.”) to contribute to the improvement of the Company’s performance and the increase of corporate value over the medium- to long-term and sharing with shareholders returns and risks arising from share price fluctuations. The Nomination and Compensation Committee, which is chaired by an Independent Outside Director and a half of whose members are Independent Outside Directors to ensure transparency and fairness in the compensation determination process, has undergone a voluntary deliberation on the continuation of the Plan.

(2) The Plan is a stock compensation plan that uses the Board Incentive Plan Trust (the “BIP Trust”). Under the BIP Trust, shares of the Company’s stock and money in an amount equivalent to realization value of the shares will be delivered and paid to the Directors, etc. in the same manner as in the Performance Share Plan and Restricted Stock Plan available in the United States and Europe.

2. Additional funding

To maintain the Plan, the Company decided to extend the period of the trust set up and make an additional contribution to the trust in order to secure funds for the acquisition of shares of its stock that are expected to be delivered during the trust period after the extension.

(Reference)

[Details of the trust agreement]

1) Type of trust

Money trust other than the individually operated designated money trust (third-party-benefit trust)

(ii) Purpose of the trust

Grant of incentives to the Directors, etc.

2) Trustor

The Company

3) Trustee

Mitsubishi UFJ Trust and Banking Corporation

(Joint trustee: The Master Trust Bank of Japan, Ltd.)

(v) Beneficiary

Directors, etc. who meet the requirements for beneficiaries

(vi) Trust administrator

Third party with no special interests with the Company (Certified Public Accountant)

(vii) Date of trust agreement

August 18, 2022

(viii) Trust period

August 18, 2022 to August 31, 2025 (to be extended to August 31, 2028 through amendment of the trust agreement dated May 19, 2025)

(ix) Commencement date of the Plan

August 18, 2022

(x) Exercise of voting rights

None

(xi) Type of shares to be acquired

Common shares of the Company

(xii) Amount planned to be additionally contributed to the trust

68 million yen (plan)

(xiii) Timing of additional acquisition of shares

May 22, 2025 (planned) to May 30, 2025 (planned)

(xiv) Method of share acquisition

Acquisition in the stock market

(xv) Rights holder

The Company

(xvi) Residual assets

The residual property that the Company, the holder of a vested right, may receive shall be within the trust expenses reserve after deducting the funds for the acquisition of shares from the trust money.

(Note) The above planned dates may be changed to more appropriate dates in light of applicable laws and regulations and other factors.

End